

MARKET BULLETIN

From Steve Quiddington

Date 8 December 2005

Reference Y3694

Subject **CONTRACT CERTAINTY: ADOPTION OF CODE OF PRACTICE**

Subject areas

Attachments

Action points

Deadlines

The Lloyd's market is committed to delivering a high standard of contract certainty, in order to reduce risk and cost, and improve client service. This commitment will also ensure compliance with the FSA's challenge of making significant improvements in contract certainty by the end of 2006. Accordingly, the Franchise has made a major contribution to the Market Reform Group's work in producing the Contract Certainty Code of Practice and Checklist. These important publications have created the framework within which practical improvements in contract certainty are being advanced.

The Market Reform Group has urged all market firms to adopt the Code of Practice no later than the end of 2005. By adopting the Code, insurers and brokers commit to common goals and approaches across the market. This alignment of interests and approach creates the right conditions for the secure and efficient implementation of high standards of contract certainty.

Recognising the importance of this approach, the Franchise Board has decided that all Franchisees should confirm to the Franchisor that they have agreed at Board level to adopt the Code. This requirement applies to all managing agents and has been made by the Franchise Board in accordance with paragraph 63 of the Underwriting Byelaw.

Your confirmation should be provided to Steve Quiddington, Operations Director by email (Steve.quiddington@lloyds.com) or by post, by 16 January 2006 at the latest.